



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Neva A. Taylor, Treasurer
Citizens for Maria Chappelle-Nadal
P.O. Box 300233
University City, MO 63130

APR 24 2018

RE: MUR 7106
Maria Chappelle-Nadal
Citizens for Maria Chappelle-Nadal and
Neva Taylor in her official capacity as
treasurer

Dear Ms. Taylor:

On July 18, 2016, the Federal Election Commission (the "Commission") notified you of a complaint alleging that Citizens for Maria Chappelle-Nadal and you in your official capacity as treasurer (the "State Committee") violated 52 U.S.C. § 30125(e)(1)(A) and (B) and 11 C.F.R. § 110.3(d), and Maria Chappelle-Nadal violated 52 U.S.C. § 30125(e)(1)(B), provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"), and the Commission's regulations. At that time, we provided you with a copy of the complaint and its supplements.

After reviewing the allegations contained in the complaints, the State Committee's responses, and publicly available information, the Commission on March 6, 2018, found reason to believe that the State Committee and Chappelle-Nadal violated 52 U.S.C. § 30125(e)(1)(B), and found no reason to believe that the State Committee violated 52 U.S.C. § 30125(e)(1)(A) and 11 C.F.R. § 110.3(d). The Factual and Legal Analysis, which formed a basis for the Commission's findings, is enclosed for your information.

Please note that you have a legal obligation to preserve all documents, records, and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. *See* 18 U.S.C. § 1519.

If the State Committee is interested in engaging in pre-probable cause conciliation, please contact Shanna Reulbach, the attorney assigned to this matter, at (202) 694-1638 or sreulbach@fec.gov, within seven days of receipt of this letter. During conciliation, you may submit any factual or legal materials that you believe are relevant to the resolution of this matter. Because the Commission only enters into pre-probable cause conciliation in matters that it believes have a reasonable opportunity for settlement, we may proceed to the next step in the enforcement process if a mutually acceptable conciliation agreement cannot be reached within sixty days. *See* 52 U.S.C. § 30109(a), 11 C.F.R. Part 111 (Subpart A). Conversely, if the State Committee is not interested in pre-probable cause conciliation, the Commission may conduct formal discovery in this matter or proceed to the next step in the enforcement process. Please note that once the Commission enters the next step in the enforcement process, it may decline to engage in further settlement discussions until after making a probable cause finding.

Pre-probable cause conciliation, extensions of time, and other enforcement procedures and options are discussed more compressively in the Commission's "Guidebook for Complainants and Respondents on the FEC Enforcement Process," which is available on the Commission's website at https://transition.fec.gov/em/respondent_guide.pdf.

If the State Committee intends to be represented by counsel in this matter, please advise the Commission by completing the enclosed Statement of Designation of Counsel form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

Please be advised that, although the Commission cannot disclose information regarding an investigation to the public, it may share information on a confidential basis with other law enforcement agencies.¹

This matter will remain confidential in accordance with 52 U.S.C. § 30109(a)(4)(B) and 30109(a)(12)(A) unless you notify the Commission in writing that you wish the matter be made

¹ The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* § 30107(a)(9).

public. For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act.

We look forward to your response.

On behalf of the Commission,

A handwritten signature in black ink, appearing to read "Caroline C. Hunter", with a stylized flourish at the end.

Caroline C. Hunter
Chair

Enclosures
Factual and Legal Analysis

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Maria Chappelle-Nadal MUR: 7106
Citizens for Maria Chappelle-Nadal and Neva
Taylor in her official capacity as treasurer

I. INTRODUCTION

This matter was generated by a Complaint filed with the Federal Election Commission (the "Commission") by Michelle C. Clay. The Complaint, together with its supplements, alleges that Maria Chappelle-Nadal, a Missouri State Senator and 2016 candidate for the U.S. House of Representatives, and her state campaign committee violated the soft money prohibitions in the Federal Election Campaign Act of 1971, as amended (the "Act"). The Complaints argue that Citizens for Maria Chappelle-Nadal (the "State Committee") influenced Chappelle-Nadal's federal candidacy by making contributions to state and local candidates and providing in-kind contributions and transfers to her federal committee, Chappelle-Nadal for Congress and George Lenard in his official capacity as treasurer (the "Federal Committee").

II. FACTUAL & LEGAL ANALYSIS

In 2003, Chappelle-Nadal registered Citizens for Maria Chappelle-Nadal with the Missouri Ethics Commission. She successfully ran for the Missouri House of Representatives in 2004, 2006, and 2008, and for the Missouri State Senate in 2010 and 2014.¹ After the 2014 election, she was term-limited from running for the Missouri State Senate again.² At that time, she had approximately \$200,000 in her State Committee's account.³ In January 2015,

¹ CO31173: *Citizens for Maria Chappelle-Nadal*, MO. ETHICS COMM'N, http://mec.mo.gov/MEC/Campaign_Finance/CF11_CommInfo.aspx (last visited Jan. 30, 2017).

² MO. CONST. art. III, § 8.

³ 2014 30-Day After General Election Report, Citizens for Maria Chappelle-Nadal (Dec. 4, 2014).

1 Chappelle-Nadal amended the State Committee's Statement of Organization to reflect that she
2 would be running for statewide office in 2020.⁴

3 Chappelle-Nadal also filed a Statement of Candidacy for Missouri's First Congressional
4 District on October 6, 2015, and on the same day she registered Chappelle-Nadal for Congress as
5 her principal campaign committee.⁵ As of October 29, 2015, the Federal Committee had
6 collected over \$5,000 in contributions, making Chappelle-Nadal a federal candidate under the
7 Act.⁶ She lost to her incumbent opponent in the August 2, 2016 Democratic Primary Election.

8 The Complaints in this matter allege that the Respondents violated the Act's soft money
9 prohibition because the State Committee used soft money to influence Chappelle-Nadal's
10 congressional election and transferred funds to the Federal Committee.⁷ The Act's soft money
11 provision prohibits federal candidates, their agents, and entities established, financed,
12 maintained, or controlled ("EFMC'd") by federal candidates from soliciting, receiving, directing,
13 transferring, or spending funds "in connection" with any federal or non-federal election unless
14 the funds are in amounts and from sources permitted by the Act.⁸

⁴ Amended Statement of Committee Organization, Citizens for Maria Chappelle-Nadal (Jan. 28, 2015). To any extent that the Complaints are alleging that Chappelle-Nadal acted wrongfully in declaring her intent to run for statewide office, without specifying which position she is seeking, that is a matter of Missouri law and outside the Commission's jurisdiction. *See* Compl. at 1 (July 11, 2016); 1st Supp. Compl. at 1 (Aug. 4, 2016); 2nd Suppl. Compl. at 1 (Aug. 30, 2016).

⁵ Statement of Organization, Chappelle-Nadal for Congress (Oct. 6, 2015); Statement of Candidacy, Maria Chappelle-Nadal (Oct. 6, 2015).

⁶ 52 U.S.C. § 30101(2)(A) (stating that a person becomes a "candidate" when she receives contributions aggregating over \$5,000); 2015 Year-End Report, Chappelle-Nadal for Congress (Jan. 29, 2016).

⁷ Under Missouri law, candidates can accept unlimited contributions and contributions from corporations and labor unions. MO. REV. STAT. §§ 130.011-.160 (providing no contribution limit); *id.* § 130.029 (stating that corporations and labor organizations may make contributions).

⁸ 52 U.S.C. § 30125(e)(1)(A)-(B); 11 C.F.R. §§ 300.61-.62. The Commission has concluded that a federal candidate's state committee is an entity EFMC'd by the federal candidate. Advisory Op. 2007-26 (Schock) at 4 ("AO 2007-26"); Advisory Op. 2006-38 (Casey State Committee) at 4 ("AO 2006-38").

1 The Commission has provided guidance on the types of activities that are “in connection”
2 with an election. Such activities include, but are not limited to: (1) contributing to a candidate
3 committee; (2) contributing to a political party organization; (3) soliciting funds for a candidate
4 committee; (4) expending funds to obtain information that will be shared with a candidate
5 committee; (5) expressly advocating the election or defeat of a candidate; and (6) “federal
6 election activity,” as defined by the Act, which includes public communications referring to a
7 clearly identified federal candidate and that promote, support, attack, or oppose (“PASO”) a
8 candidate for that office.⁹

9 A federal candidate who concurrently runs for state or local office may solicit, receive,
10 and spend funds outside of the Act’s amount and source limitations when the solicitations,
11 receipts, and expenditures are solely in connection with her own state or local race.¹⁰ Further,
12 where this exception does not apply, a state committee can comply with the soft money
13 provisions of the Act by using a reasonable accounting method to determine the amount of hard
14 and soft money in its account and then use only the hard money to pay for activities in
15 connection with other candidates’ elections.¹¹

16 As an extension of the Act’s soft money ban, the Commission’s regulations also
17 explicitly prohibit “[t]ransfers of funds or assets from a candidate’s campaign committee or
18 account for a nonfederal election to his or her principal campaign committee or other authorized

⁹ Advisory Op. 2009-26 (State Representative Coulson) at 5 (“AO 2009-26”); AO 2007-26 at 4; AO 2006-38 at 4. “Federal election activity” also includes voter registration activity within 120 days of a federal election; voter identification, get-out-the-vote activity, or generic campaign activity for a federal election; and services provided by certain employees of a political party. 52 U.S.C. § 30101(20); 11 C.F.R. § 100.24.

¹⁰ 52 U.S.C. § 30125(e)(2).

¹¹ AO 2007-26 at 3; AO 2006-38 at 3. For this purpose, the Commission has approved as reasonable the “first in, first out” and “last in, first out” accounting methods. AO 2006-38 at 3. Other accounting methods may also be reasonable.

1 committee for a federal election”¹² The regulations provide, however, that when a
2 candidate has both a federal and nonfederal committee, “at the option of the nonfederal
3 committee, the nonfederal committee may refund contributions, and may coordinate
4 arrangements with the candidate’s principal campaign committee or other authorized committee
5 for a solicitation by such committee(s) to the same contributors.” The solicitations must be paid
6 for by the federal committee(s).¹³

7 Below we examine the application of the soft money prohibition to each of the
8 allegations in the Complaints.

9 **A. State Committee’s Use of Soft Money**

10 1. Contributions to and Expenditures in Support of State and Local
11 Candidates and Committees
12

13 First, the Complaints allege that after Chappelle-Nadal became a federal candidate, the
14 State Committee attempted to influence her federal candidacy by spending money on activities
15 designed to draw new voters to the polls who might also vote for her in the federal election.¹⁴
16 Specifically, the Complaints claim that the State Committee contributed at least \$92,200 to state
17 and local candidates and paid for a mailer endorsing state and local candidates Donna Baringer,
18 Madeline Buthod, and Patty Ellison-Brown.¹⁵

19 The State Committee does not deny that it made contributions to state and local
20 candidates or that it paid for the endorsement mailer. It argues that the contributions complied

¹² 11 C.F.R. § 110.3(d).

¹³ *Id.*

¹⁴ 1st Supp. Compl. at 1, Attach. G (Chris King, *Maria Chappelle-Nadal invests in progressive candidates she think[s] can help her win*, ST. LOUIS AMERICAN, July 21, 2016).

¹⁵ Compl. at 1-2; 1st Supp. Compl. at 1; 2nd Supp. Compl. at 1 & Attach. B.

1 fully with Missouri law and did not implicate the Act. The State Committee also asserts that it
2 has a First Amendment right to endorse candidates and that it properly disclosed the cost of the
3 endorsement mailer as “an in-kind contribution . . . in the 30-Day After Election report.” It
4 insists that its overall strategy to “stimulate new progressive voters to support these state and
5 local candidates” was a “lawful coalition strategy.”¹⁶

6 The State Committee’s disclosure reports show that, from the time Chappelle-Nadal
7 became a federal candidate on October 29, 2015, until the August 2, 2016 Primary Election, the
8 State Committee made \$104,006.58 in disbursements benefiting state and local candidates and
9 chapters of the Democratic Party. These disbursements include: (1) \$91,300 in contributions to
10 state and local Missouri candidates’ campaigns, a sum that is comprised of 29 separate
11 contributions of \$250 to \$25,000 over an 8-month period;¹⁷ (2) \$10,206.58 in expenditures on
12 behalf of state and local Missouri candidates;¹⁸ (3) \$1,500 in contributions to the Missouri
13 Democratic Party;¹⁹ and (4) \$1,000 in contributions to the 4th Ward Democratic Organization.²⁰
14 The available evidence also demonstrates that the State Committee spent an unknown additional
15 sum on the mailer endorsing Baringer, Buthod, and Ellison-Brown.²¹

¹⁶ Maria Chappelle-Nadal Resp. at 2 (Aug. 29, 2016) (“State Committee’s Aug. 29, 2016 Resp.”); Maria Chappelle-Nadal Resp. at 2-3 (Sept. 26, 2016) (“State Committee’s Sept. 26, 2016 Resp.”).

¹⁷ These contributions are scattered across the State Committee’s 2015 and 2016 reports.

¹⁸ All of these expenditure appear on the State Committee’s 2016 30-Day After Primary Election Report. *See* 2016 30-Day After Primary Election Report, Citizens for Maria Chappelle-Nadal (Sept. 1, 2016).

¹⁹ 2016 8-Day Before General Municipal Election Report, Citizens for Maria Chappelle-Nadal (Mar. 28, 2016).

²⁰ 2016 8-Day Before Primary Election Report, Citizens for Maria Chappelle-Nadal (July 25, 2016).

²¹ Despite the State Committee’s representations, the 30-Day After Primary Election Report does not itemize expenditures for an endorsement mailer, or show any contributions to Buthod or Ellison-Brown. *See* 2016 30-Day After Primary Election Report, Citizens for Maria Chappelle-Nadal (Sept. 1, 2016).

1 At the time of these contributions and expenditures, Chappelle-Nadal was a federal
2 candidate, and the State Committee had soft money in its account and was continuing to raise
3 soft money.²² Though it appears that Chappelle-Nadal was simultaneously a candidate for
4 Missouri statewide office, the soft money exception applies only to funds raised and spent for
5 use in connection with one's own state election.²³ While she remained able to solicit and accept
6 soft money funds to spend on her own state race, she was still prohibited from spending those
7 funds on other state and local candidates' races.²⁴ Therefore, because the available evidence
8 shows that the State Committee spent soft money in connection with non-federal elections when
9 it contributed to state or local level candidates, and it has not demonstrated that it had
10 \$104,006.58 of hard money isolated using a reasonable accounting method, the Commission
11 finds reason to believe that Chappelle-Nadal and her State Committee violated the Act's
12 section 30125(e)(1)(B) soft money prohibition.

²² From the beginning of 2013, when it was fundraising for Chappelle-Nadal's 2014 state senatorial race, until August 2016, the State Committee raised a total of \$299,581.80. Of that amount, only \$50,430.37 (16.83%) represented hard money contributions from individuals, federal political actions committees ("PACs"), and partnerships. On the other hand, \$110,460.90 (36.87%) of the contributions came from corporations, labor unions, and federally permissible donors who exceeded the Act's contribution limits. The remaining \$138,690.53 (46.29%) came from limited liability companies ("LLCs"), which may or may not be permissible sources under the Act depending on their federal tax status, *see* 11 C.F.R. § 110.1(g) (stating that an LLC can elect to be treated as a corporation or a partnership by the Internal Revenue Service, and the Commission will defer to that classification in applying the Act); Missouri state PACs, which under state law could accept both hard and soft money contributions; and a mixture of other entities, including business entities with unidentified structures, unregistered PACs, and other state candidate committees. Specifically, LLCs contributed \$45,628.99, state PACs contributed \$82,225.00, and the various undefined entities contributed \$10,836.54. Accordingly, 83.17% of the State Committee's available funds were soft money or potentially soft money.

²³ 52 U.S.C. § 30125(e)(2); MO. REV. STAT. § 130.011 (stating that a person becomes a "candidate" under Missouri law when he or she files a declaration of candidacy).

²⁴ 52 U.S.C. § 30125(e)(2).

1 2. Television Advertisements

2 The Complaints also allege that the State Committee, beginning in July 2016, paid
3 Spectrum Reach TM ("Spectrum Reach") \$14,450.85 for 1,119 television advertisements
4 promoting Chappelle-Nadal's federal candidacy.²⁵ The State Committee denies making any in-
5 kind contributions to Chappelle-Nadal's Federal Committee. Respondents explain that Spectrum
6 Reach erroneously billed the State Committee instead of the Federal Committee for the
7 television advertisements. The State Committee wrote a check but realized the error and
8 canceled it. The Respondents assert that the Federal Committee ultimately paid for the
9 commercials and stated that it would disclose the expense on its upcoming Commission report.²⁶
10 Information available to the Commission confirms that the Federal Committee wrote a \$14,450
11 check to Spectrum Reach and Spectrum Reach received the check. Further, a review of the
12 Federal Committee's filings shows that the Committee reported the \$14,450 disbursement to
13 Spectrum Reach on its 2016 October Quarterly Report.²⁷

14 Because the available information shows that the State Committee did not pay Spectrum
15 Reach for television advertisements connected to Chappelle-Nadal's federal candidacy, the
16 Commission finds no reason to believe that the State Committee violated 52 U.S.C.
17 § 30125(e)(1)(A) by making an impermissible in-kind contribution in connection with the
18 television advertisements.

²⁵ 2nd Supp. Compl. at 1 & Attach. A.

²⁶ State Committee's Sept. 26, 2016 Resp. at 2.

²⁷ 2016 October Quarterly Report, Chappelle-Nadal for Congress (Oct. 15, 2016).

1 3. Toxic Waste Newspaper Advertisement

2 The Complaints further allege that the State Committee paid for a radio advertisement for
3 the Federal Committee.²⁸ The Respondents deny that the State Committee paid for a radio
4 advertisement supporting Chappelle-Nadal's federal candidacy. They assert that the expenditure
5 to which the Complaints refer was for a newspaper advertisement in the form of a letter from
6 Chappelle-Nadal to residents of St. Louis, entitled "Radioactive Waste: Toxic Waste Dumped
7 Across St. Louis County." The article detailed the location of the toxic waste and its possible
8 health effects. It then encouraged "everyone to contact their local, state and federal
9 representatives and demand action." The Respondents acknowledge that radioactive waste is a
10 "signature issue" for Chappelle-Nadal, but claim that Chappelle-Nadal published this article as a
11 constituent communication in her continuing role as a state senator, and not as a campaign
12 communication.²⁹

13 As noted above, activities are covered within the scope of section 30125(e) if they are "in
14 connection" with an election, for example, if they solicit funds, expressly advocate for a
15 candidate's election, or constitute "federal election activity" including public communications
16 referring to a clearly identified federal candidate and that PASO a candidate for that office.³⁰ It
17 does not appear that Chappelle-Nadal's newspaper advertisement calling for action on a toxic
18 waste site near St. Louis was connected to any election. The advertisement was a public
19 communication that clearly identified a federal candidate,³¹ Chappelle-Nadal, but the

²⁸ 1st Supp. Compl. at 1.

²⁹ State Committee's Aug. 29, 2016 Resp., Attach. B.

³⁰ AO 2009-26 at 5; AO 2007-26 at 4; AO 2006-38 at 4.

³¹ The Act defines "public communication" to include a communication by means of any newspaper. 52 U.S.C. § 30101(22).

1 Commission has determined that the “mere identification of an individual who is a Federal
2 candidate does not, in itself, promote, support, attack or oppose that candidate.”³² Furthermore,
3 the Commission has concluded that a statement of a federal candidate’s previous or ongoing
4 legislative efforts does not PASO that candidate.³³ Because the newspaper advertisement here
5 simply identified Chappelle-Nadal, discussed her previous efforts to eradicate the toxic waste,
6 and did not identify any other candidate, we conclude the article did not PASO any candidate,
7 and therefore did not qualify as “federal election activity.”

8 In addition, the toxic waste advertisement did not solicit money, gather information about
9 potential voters, or expressly advocate the election or defeat of any candidate. The
10 communication was directed to the constituents of Chappelle-Nadal’s state senatorial district and
11 functioned to raise awareness of a public health risk and propose steps for solving the problem.
12 In doing so, the advertisement was akin to the type of communications commonly produced by
13 state officeholders. The mere fact that Chappelle-Nadal planned to continue her efforts to clean
14 up the waste if elected to Congress did not transform the newspaper advertisement from a
15 constituent communication into a campaign advertisement.³⁴

16 As the available evidence indicates that the State Committee did not publish the toxic
17 waste advertisement “in connection” with any election, the Commission finds no reason to
18 believe that the State Committee violated 52 U.S.C. § 30125(e) by unlawfully spending soft
19 money.

³² AO 2009-26 at 7.

³³ See *id.* at 9 (concluding that a state representative running for Congress could spend soft money on a “health care legislative update” letter to her state constituents because the letter, though it discussed her policy achievements, did not PASO her or any of her opponents).

³⁴ *Id.* (“[A] State officeholder’s declaration of Federal candidacy does not automatically alter the character of the candidate’s activities routinely engaged in as a State officeholder.”).

1 4. Web Services

2 Finally, the Complaints allege that the State Committee paid for the Federal Committee's
3 web services.³⁵ The Complaints observe that the Federal Committee maintains a website,
4 Facebook page, and Twitter account, but has never disclosed any expenses for hosting these
5 platforms. The State Committee, on the other hand, disclosed a \$508 disbursement to Local
6 Politech Strategies for "data maintenance and website hosting" on its 2015 Year-End Report,
7 even though Chappelle-Nadal was not actively campaigning for state office.³⁶ The Complaints
8 therefore allege that the State Committee's disbursement to Local Politech Strategies was for
9 "data maintenance and website hosting" in connection with Chappelle-Nadal's federal
10 campaign.³⁷

11 The State Committee denies paying for the Federal Committee's web expenses. It states
12 that the \$508 disbursement to Local Politech Strategies was for "EyesOnFerguson.com," a now-
13 defunct website Chappelle-Nadal created to inform people living in her state senatorial district
14 about the unrest in Ferguson, and not a payment for the Federal Committee's campaign website
15 and social media accounts.³⁸ The State Committee attached to its Response a copy of an invoice
16 from Local Politech Strategies for \$508.20 in web services. The invoice shows that the State
17 Committee agreed to pay \$36.30 a month beginning in September 2014 for "EyesOnFerguson
18 NationBuilder hosting."³⁹ To explain the Federal Committee's failure to disclose disbursements
19 for web services, Respondents advise that the Progressive Change Campaign Committee

³⁵ Compl. at 1.

³⁶ *Id.*

³⁷ *Id.*

³⁸ State Committee's Aug. 29, 2016 Resp. at 3.

³⁹ *Id.*, Attach. A.

1 provided Chappelle-Nadal's congressional campaign website and social media platforms free of
2 charge, and the Federal Committee would report the services as an in-kind contribution "at the
3 appropriate time."⁴⁰ Based on this information contradicting the Complaints' allegations, the
4 Commission finds no reason to believe that the State Committee made an in-kind contribution of
5 web services to the Federal Committee, in violation of 52 U.S.C. § 30125(e)(1)(A).

6 Nevertheless, the State Committee may still have violated the Act by spending soft
7 money on "EyesOnFerguson.com" if the website was "in connection" with any election. A
8 review of archival images of "EyesOnFerguson.com" shows that the website did not solicit
9 money for any candidate, did not advocate the election or defeat of any candidate, did not gather
10 information for any campaign's use, and did not engage in "federal election activity."⁴¹ As was
11 the case with the toxic waste advertisement, the website's mere identification of Chappelle-
12 Nadal and her involvement with the political events that followed the Ferguson unrest did not
13 PASO her or any other candidate. Accordingly, we conclude that the website was not "in
14 connection" with any election and find no reason to believe that the State Committee's activities
15 violated 52 U.S.C. § 30125(e)(1)(A).

16 **B. Transfers Between State and Federal Committees**

17 Finally, the Complaints allege that the State Committee made two unlawful transfers to
18 the Federal Committee. First, the Complaints allege that the State Committee transferred \$1,000
19 to the Federal Committee on December 31, 2015. The State Committee disclosed the
20 disbursement on its 2015 Year-End Report to the Missouri Ethics Commission, but the Federal

⁴⁰ *Id.* at 3.

⁴¹ *Wayback Machine*, INTERNET ARCHIVE, <http://archive.org/web/> (last visited Jan. 30, 2017) (enter "www.EyesOnFerguson.com" into the search bar to review images of what the now-defunct website once looked like).

1 Committee failed to disclose the transfer on any of its reports.⁴² Second, the Complaints observe
2 from the Committees' reports that Sandy Tsai contributed \$14,000 to the State Committee in
3 2013, but the State Committee refunded the full amount of the contribution on December 10,
4 2015.⁴³ On December 29, 2015, Tsai then made a \$2,500 contribution to the Federal Committee
5 which, the Complaints argue, was another "inappropriate transfer of funds."⁴⁴

6 The State Committee denies that the \$1,000 transfer occurred. It asserts that, while the
7 State Committee wrote a \$1,000 check to the Federal Committee and disclosed the disbursement
8 on its Missouri Ethics Commission Year-End Report, one of the Committees thereafter realized
9 that the transfer should not occur. The State Committee canceled the check before the Federal
10 Committee deposited it, and the State Committee filed an Amended Year-End Report to remove
11 the transfer. Accordingly, the Respondents argue, the transfer never came to fruition.⁴⁵

12 The Respondents do not deny that Tsai received a \$14,000 refund from the State
13 Committee and then made a contribution to the Federal Committee. They state that Tsai
14 requested the refund, and that the State Committee did not violate the Act by complying with her
15 request.⁴⁶

16 The available evidence supports the Respondents' position that the Committees never
17 completed the \$1,000 transfer of funds from the State Committee to the Federal Committee. The
18 State Committee's 2015 Year-End Report disclosed a \$1,000 contribution to the Federal
19 Committee, but the State Committee filed an amended report shortly thereafter, removing the

⁴² Compl. at 1.

⁴³ *Id.*; Amended 2015 Year-End Report, Citizens for Maria Chappelle-Nadal (Feb. 1, 2016).

⁴⁴ Compl. at 1.

⁴⁵ State Committee's Aug. 29, 2016 Resp. at 2-3.

⁴⁶ *Id.* at 2.

1 contribution.⁴⁷ Furthermore, the Federal Committee never reported a \$1,000 transfer or
2 contribution from the State Committee.⁴⁸ These reports corroborate the State Committee's
3 statement that the check was canceled before the Federal Committee could deposit it.

4 The available evidence also indicates that Tsai asked the State Committee to refund her
5 contribution, and there is no evidence that the State Committee paid to solicit her for her
6 subsequent contribution to the Federal Committee. Therefore, the Commission finds no reason
7 to believe that the State Committee violated 52 U.S.C. §§ 30125(e)(1)(A) and 11 C.F.R.
8 § 110.3(d) with regard to the allegations of transfers.

⁴⁷ 2015 Year-End Report, Citizens for Maria Chappelle-Nadal (Jan. 15, 2016); Amended 2015 Year-End Report, Citizens for Maria Chappelle-Nadal (Feb. 1, 2016).

⁴⁸ See 2015 Year-End Report, Chappelle-Nadal for Congress (Jan. 29, 2016).